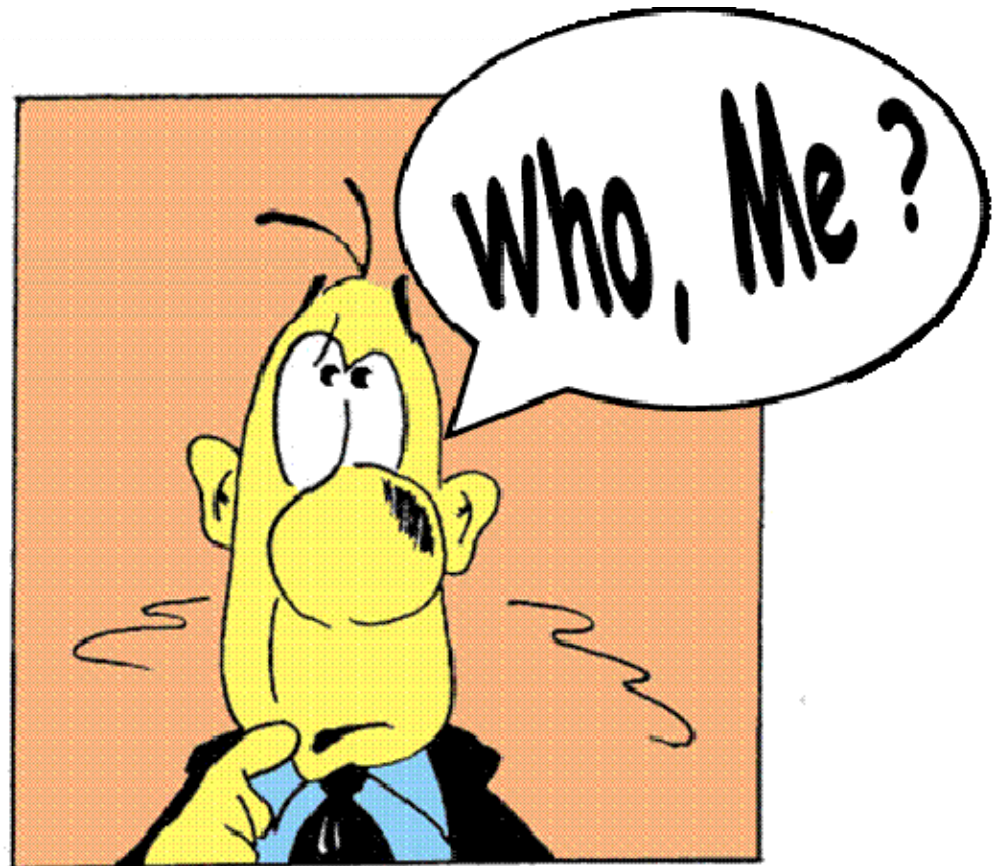


THE SAN FRANCISCO UNIFIED SCHOOL DISTRICT BUDGET



Demystified for the average Joe



OVERVIEW

- ➡ To keep this presentation simple and to avoid getting bogged down in technicalities, we won't go into all the accounting details of State categorical programs that have recently become unrestricted (Tier 3) and ARRA State Fiscal Stabilization Funds
- ➡ We will treat these funding sources as types of unrestricted funds

REVENUES

The district receives **unrestricted** revenues (funds that are not limited in their use by regulatory, compliance or statutory rules, as long as these funds are used for educational purposes), from different agencies/sources

- **Revenue Limit** are the funds generated by the **average daily attendance** (ADA) of the students enrolled in the district
- **Federal Revenues** come from the US Department of Education for the JROTC program, and, for 2008 and 2009, from federal stimulus funding under the American Recovery and Reinvestment Act (ARRA)

REVENUES (cont.)

- **State Revenues** include
 - K-3 Class Size Reduction
 - Supplemental Instructional Hours (summer and evening school)
 - State Lottery
 - **Tier 3 programs** - approximately 39 different state categorical programs that have been made unrestricted in their use, e.g. TIIBG, the PE Teacher Incentive Grant, Alternative Certification Program, Paraprofessional to Teacher Program, Arts & Music Block Grant, etc.

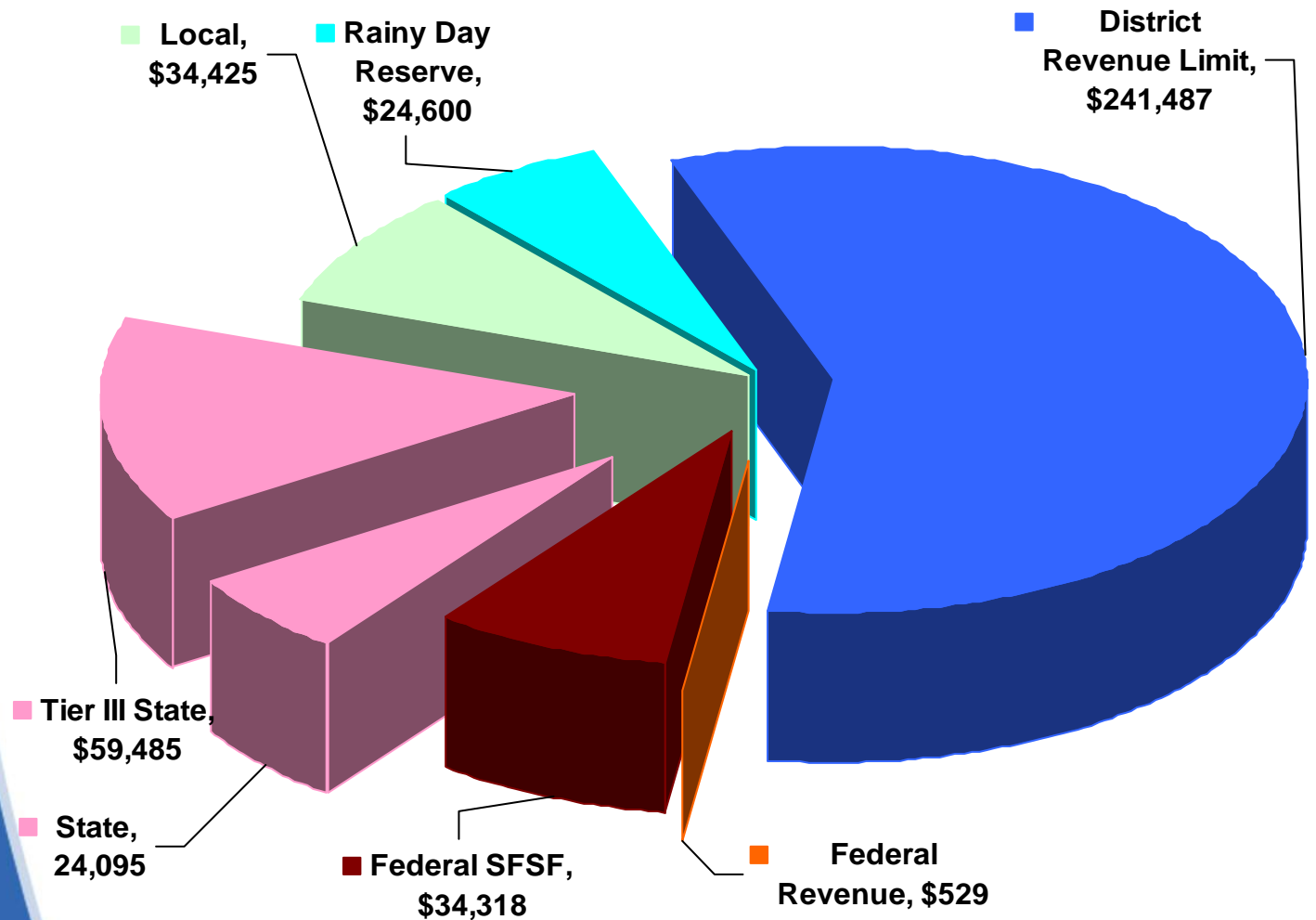
REVENUES (cont.)

- **Local Revenues** are received from the City & County of San Francisco and other local sources, and include
 - sales tax
 - lease and rental income from district-owned property
 - interest
 - administrative fees charged to district-sponsored charter schools
 - Rainy Day Reserve

FY 2009 -10

Unrestricted General Fund Revenue Sources

(\$000's)



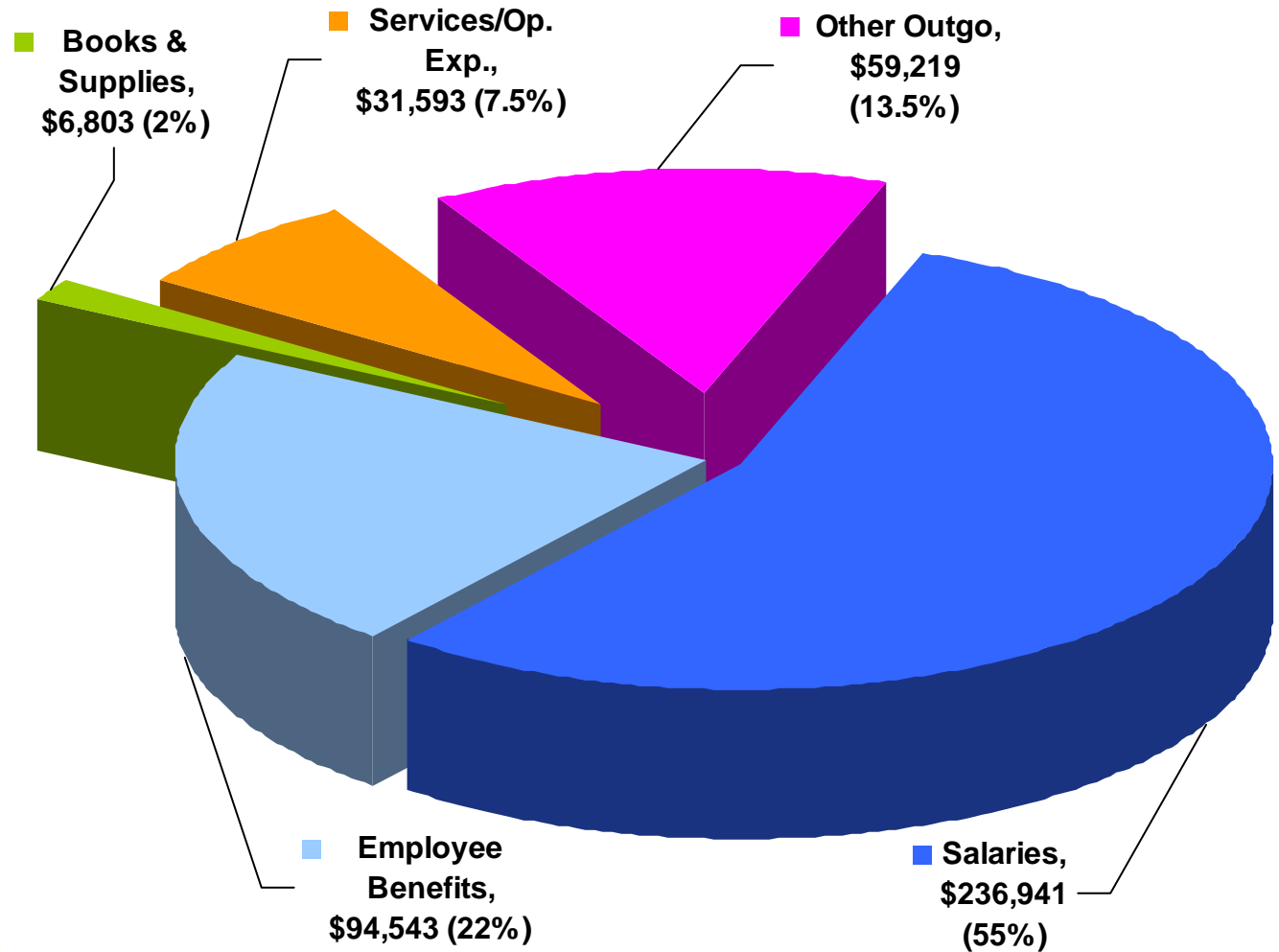
EXPENDITURES

- Salaries and benefits constitute approximately 77% of the district's total expenditures
- Other expenditures include
 - books and supplies (2%)
 - contracts and services (7.5%)
 - debt service, contribution to Routine & Restricted Maintenance, and district support to the child development program, student nutrition services, and county operated programs like Special Ed (13.5%).

FY 2009 -10

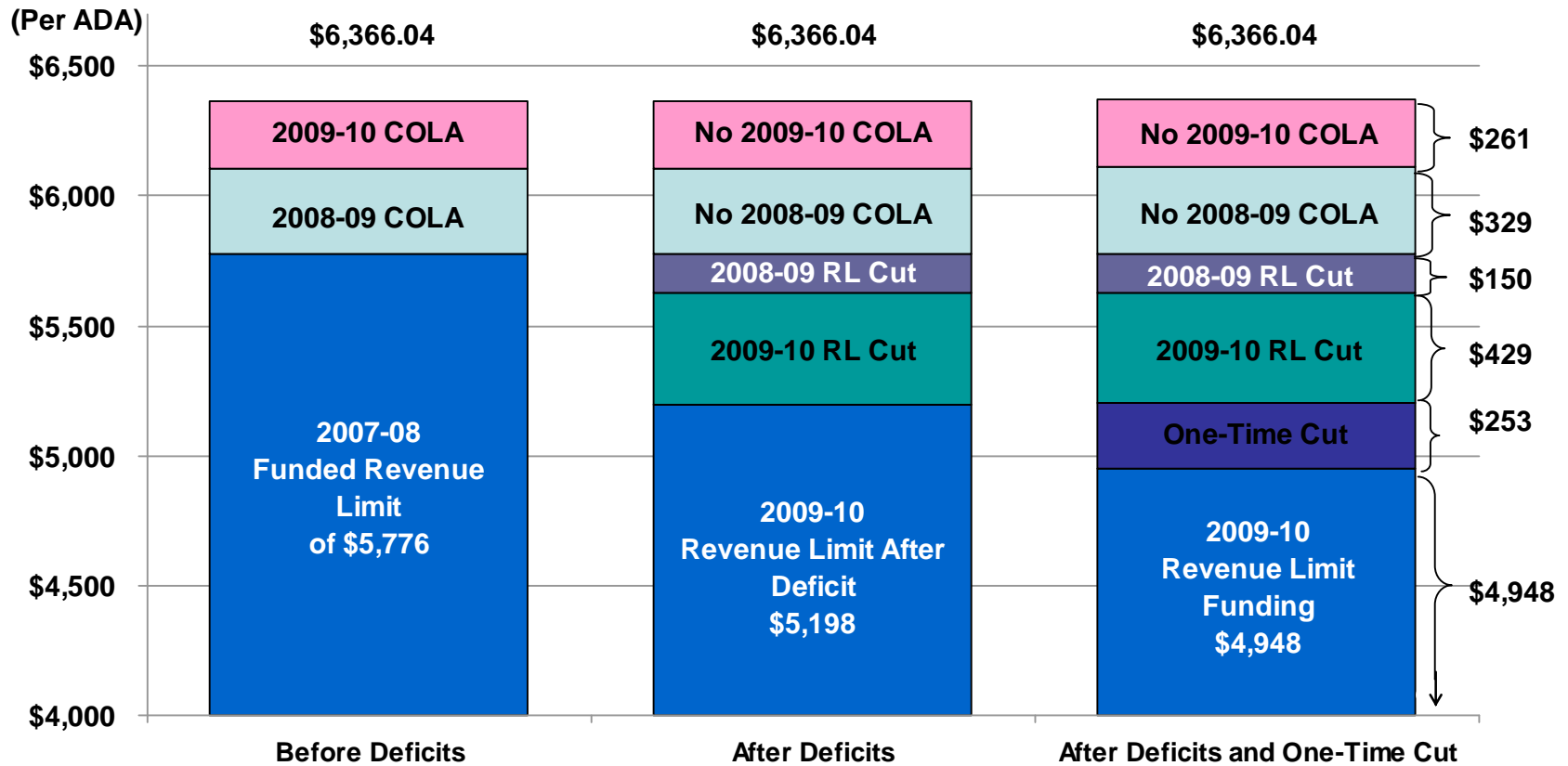
Unrestricted General Fund Expenditures

(\$000's)



2009 – 10 REVENUE LIMIT FUNDING

Impact of Revenue Limit Deficits and One-Time Reduction



FUND 01 – UNRESTRICTED GENERAL FUND FY 2009 – 10 BUDGET

(\$000's)

A. REVENUES

Revenue Limit

Federal

State

Local

Rainy Day Reserve

Total Revenues

B. EXP & OTHER FINANCNG SOURCES/USES

C. NET INCR/(DECR) IN FUND BAL (A-B)

D. BEGINNING FUND BALANCE (est a/o 07/01/09)

F. ENDING FUND BALANCE (est. a/o 06/31/10) C+D

E. DESIGNATED RESERVES

G. UNDESIGNATED FUND BALANCE

UGF	TIER 3 PROGRAMS				ARRA	TOTAL
	TIIBG aka Consent Decree	Instructional Materials	All Other Tier 3 Programs	Total Tier 3	SFSF	
Unrestricted General Fund						
241,487						241,487
529					34,318	34,847
24,095	38,528	2,930	18,027	59,485		83,580
34,425						34,425
24,600						24,600
325,136	38,528	2,930	18,027	59,485	34,318	418,939
370,770	42,186	-	16,143	58,329	-	429,099
(45,634)	(3,658)	2,930	1,884	1,156	34,318	(10,160)
39,000				3,019	-	42,019
(6,634)				4,175	34,318	31,859

(15,800)

16,059



BUDGET
SERVICES

FUND 01 – UNRESTRICTED GENERAL FUND FY 2010 – 11 BUDGET

(\$000's)

	UGF	TIER 3 PROGRAMS				ARRA	TOTAL
	Unrestricted General Fund	TIIBG aka Consent Decree	Instructional Materials	All Other Tier 3 Programs	Total, Tier 3	SFSF	
A. REVENUES							
Revenue Limit	254,879						254,879
Federal	529					-	529
State	24,095	38,528	2,930	18,027	59,485		83,580
Local	34,425						34,425
Rainy Day Reserve	6,000						6,000
Total Revenues	319,928	38,528	2,930	18,027	59,485	-	379,413
B. EXP & OTHER FINANCNG SOURCES/USES	370,770	42,186	-	16,143	58,329	-	429,099
C. NET INCR/(DECR) IN FUND BAL (A-B)	(50,842)	(3,658)	2,930	1,884	1,156	-	(49,686)
D. BEGINNING FUND BALANCE (est a/o 07/01/10)	31,859					-	31,859
F. ENDING FUND BALANCE (est. a/o 06/31/11) C+D	(18,983)				1,156	-	(17,826)
E. DESIGNATED RESERVES							(15,800)
G. UNDESIGNATED FUND BALANCE							(33,626)

FUND 01 – UNRESTRICTED GENERAL FUND FY 2011 – 12 BUDGET

(\$000's)

A. REVENUES

Revenue Limit

Federal

State

Local

Rainy Day Reserve

Total Revenues

B. EXP & OTHER FINANCNG SOURCES/USES

C. NET INCR/(DECR) IN FUND BAL (A-B)

D. BEGINNING FUND BALANCE (est a/o 07/01/11)

E. ENDING FUND BALANCE (est. a/o 06/31/12) C+D

F. DESIGNATED RESERVES

G. UNDESIGNATED FUND BALANCE

UGF	TIER 3 PROGRAMS				ARRA	TOTAL
	TIIBG aka Consent Decree	Instructional Materials	All Other Tier 3 Programs	Total, Tier 3	SFSF	
Unrestricted General Fund						
Revenue Limit	260,748					260,748
Federal	529				-	529
State	24,095	38,528	2,930	18,027		83,580
Local	34,425					34,425
Rainy Day Reserve	-					-
Total Revenues	319,797	38,528	2,930	18,027	-	379,282
B. EXP & OTHER FINANCNG SOURCES/USES	370,770	42,186	-	16,143	-	429,099
C. NET INCR/(DECR) IN FUND BAL (A-B)	(50,973)	(3,658)	2,930	1,884	-	(49,817)
D. BEGINNING FUND BALANCE (est a/o 07/01/11)	(17,826)				-	(17,826)
E. ENDING FUND BALANCE (est. a/o 06/31/12) C+D	(68,799)			1,156	-	(67,643)

(15,800)

(83,443)



BUDGET
SERVICES

FUND 01 – UNRESTRICTED GENERAL FUND MULTIYEAR PROJECTIONS

(\$000's)

	FY 2009-10	FY 2010-11	FY 2011-12
A. REVENUES	TOTAL	TOTAL	TOTAL
Revenue Limit	241,487	254,879	260,748
Federal	34,847	529	529
State	83,580	83,580	83,580
Local	34,425	34,425	34,425
Rainy Day Reserve	24,600	6,000	-
Total Revenues	418,939	379,413	379,282
B. TOTAL EXP & OTHER FINANCNG SOURCES/USES	429,099	429,099	429,099
C. NET INCR/(DECR) IN FUND BAL (A-B)	(10,160)	(49,686)	(49,817)
D. BEGINNING FUND BALANCE (est a/o 07/01)	42,019	31,859	(17,826)
E. ENDING FUND BALANCE (est. a/o 06/31) C+D	31,859	(17,826)	(67,643)
F. DESIGNATED RESERVES	(15,800)	(15,800)	(15,800)
G. UNDESIGNATED FUND BALANCE	16,059	(33,626)	(83,443)

CERTIFICATION OF DISTRICT FINANCIALS

- All Local Education Agencies (LEAs) are required to adopt a budget by July 1st of each year and to file 2 interim financial reports during the year (by December 15 and March 15)
- An LEA's adopted budget is submitted to its county superintendent of schools who has fiscal oversight of the LEA including the authority to either approve or disapprove the LEA's budget

CERTIFICATION OF DISTRICT FINANCIALS (cont.)

- Because San Francisco is a single-district county, the fiscal oversight for both the SFUSD and the SFCOE rests with the State Superintendent of Public Instruction (SSPI) who has the authority to either approve or disapprove our district's budget, or at any time, to declare the district in jeopardy of meeting its financial obligations through a qualified or negative certification at interim financial reporting periods.

CERTIFICATION OF DISTRICT FINANCIALS (cont.)

- A **qualified** certification is assigned to a school district or county office of education when it is determined that, based upon current projections, the school district or county office of education may not meet its financial obligations for the current or two subsequent fiscal years.
- A **negative** certification is assigned to a school district or county office of education when it is determined that, based upon current projections, the school district or county office of education will not be able to meet its financial obligations for the current or for the two subsequent fiscal years.

CONSEQUENCES OF A QUALIFIED OR NEGATIVE CERTIFICATION

A qualified or negative certification may result in various authorized forms of intervention on the part of the SSPI. These interventions are progressively more punitive in nature and include

- Assigning an external consultant
- Requiring the district to file a fiscal recovery plan
- Disallowing certain district expenditures, including existing bargaining agreements.
- Complete control of the district's operations, including dismissal of the Board and Superintendent.

CONSEQUENCES OF A QUALIFIED OR NEGATIVE CERTIFICATION (cont.)

- An additional consequence of a qualified or negative certification is the adverse impact on the district's financial ratings, which in turn limits our ability to issue construction bonds or short term debt.

SCHOOL SITE PLANNING

Because schools are facing budgetary challenges that will only become more severe next year, some additional flexibility will be provided for:

- **School & Library Improvement Block Grant**
- **Arts & Music Equipment Block Grant**
- **Discretionary Block Grant**
- **Instructional Materials, Library and Ed. Tech. Block Grant**

SCHOOL SITE PLANNING

Permitted Uses of Funds

- Schools are encouraged to consider spending these funds on activities previously supported by these resources.
- However, these funds may now also be spent on other priorities as determined by the School Site Council (like WSF resources).

SCHOOL SITE PLANNING

Carry Over of Year-End Balances

- Schools will continue to be able to carry-over unspent balances in the Arts and Music Equipment, Discretionary, and Instructional Materials, Library and Ed. Tech. Block Grants.
- Schools will also be able to carry over unspent balances of the School and Library Improvement Block Grant into SY 2010-2011.

RULES OF THUMB

- **Limit expenditures to “Mission Critical” items**
- **Think carefully about whether funds will be available next year when considering new staff or new programs**
- **Start thinking about what cost reductions will make the most sense and/or will have the least harmful impact**
- **Remember: We will get through this together!**